

LDS Family Services (UK) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2005



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Company Registration No. 1346482
Registered Charity No. 275643

LDS Family Sevices (UK) Limited

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Year ended 31 December 2005

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LDS Family Services (UK) Limited

DIRECTORS AND OFFICERS

31 December 2005

DIRECTORS

F M Riley
H C Brown
J Dodd

SECRETARY

J Dodd

COMPANY NUMBER

1346482 (England and Wales)

REGISTERED CHARITY NUMBER

275643

REGISTERED OFFICE

1st Floor
399 Garretts Green Lane
Garretts Green
Birmingham
B33 0UH

BANKERS

HSBC Bank plc
34 Poplar Road
Solihull
West Midlands B91 3AF

LDS Family Services (UK) Limited

DIRECTORS' REPORT continued

The directors, who are the charity's trustees, submit their report and financial statements of LDS Family Services (UK) Limited for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The function of the Agency is to provide social service support for members of The Church of Jesus Christ of Latter-day Saints, and for non members when referred by local priesthood leaders. The company terminated the operation of its Adoption Agency effective 30 September 2003.

The company is a registered charity and its governing documents are its Memorandum and Articles of Association.

RESULTS AND DIVIDENDS

The excess of expenditure over charitable income for the year has been met by The Corporation of the President of the Church of Jesus Christ of Latter-day Saints.

The directors do not recommend the payment of a dividend.

RESERVES

No reserves are held during the year.

DIRECTORS

The following directors have held office since 1 January 2005:-

H C Brown
J Dodd
F M Riley

DIRECTORS' INTERESTS IN SHARES

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company.

GOVERNANCE AND INTERNAL CONTROL

The directors have considered the risks the charity is exposed to and have ensured that there are suitable controls in place to mitigate those risks.

By order of the board


J Dodd
Secretary

DATE 27th October 2006

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors' are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors' are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF
LDS FAMILY SERVICES (UK) LIMITED

for the year ended 31st December 2005

Independent examiner's report to the members of LDS Family Services (UK) Limited

I report on the financial statements for the year ended 31st December 2005 which comprise the statement of financial activities, the balance sheet and related notes.

Respective responsibilities of directors and examiner

The directors also act as trustees for the charitable activities of LDS Family Services (UK) Limited.

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year as the charity's gross income or total expenditure does not exceed £250,000 in either the current financial year or the financial year immediately preceeding this year.

Therefore an independent examination is needed.

It is my responsibility to:

- a Examine the accounts.
- b Follow the procedures laid down in the General Directions given by the Charity Commissioners.
- c State whether particular matters have come to my attention.
- d Give due regard to the requirements of the Companies Act 1985 as applicable.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF
LDS FAMILY SERVICES (UK) LIMITED

for the year ended 31st December 2005

Independent examiner's statement

It is my view that:

- a The accounts of the company for the year ending 31st December 2005 are in agreement with accounting records kept by the company under section 221 of the Companies Act 1985.
- b Having regard only to, and on the basis of, the information in those accounting records, these accounts have been drawn up in a manner consistent with the provisions of the Act as specified in subsection (6) of section 249C, so far as applicable to the company.
- c Having regard only to, and on the basis of, the information in the accounting records, the company satisfied the requirements of section 249A(4), for the financial year ended 31st December 2005, and did not fall within section 249B(1) (a) to (f) at any time during the financial year.

In connection with my examination, no matter has come to my attention:

- d Which gives me reasonable cause to believe that in any material respect the requirements:
 - i To keep accounting records in accordance with section 41 of the Charities Act 1993.
 - ii To prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act.

have not been met; or

- e To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:



Name: Paul Stobbs
Professional
Qualification: Associate, Institute of Chartered Accountants in England & Wales
Address: 1 Summer Hollow
Broadmore Green
Rushwick
Worcester
WR2 5TR
Date: 20th October 2006

LDS Family Services (UK) Limited

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st December 2005

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
Incoming resources			
Charitable work performed		43,914	40,181
Subsidy from parent company		151,937	157,149
Gain on disposal of fixed assets		4,621	-
Total incoming resources		<u>200,472</u>	<u>197,330</u>
Resources expended			
Direct charitable expenditure	4	200,472	194,852
Loss on disposal		-	2,478
Total resources expended		<u>200,472</u>	<u>197,330</u>
Net Incoming/(outgoing) resources		-	-
Fund balances brought forward at 1 January 2005		-	-
Fund balances carried forward at 31 December 2005		<u>-</u>	<u>-</u>

The Statement of Financial Activities constitutes an Income and Expenditure account for the purposes of the Companies Act 1985.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities.

The result for the year arises from the company's continuing activities.

The notes on pages 10 to 14 form part of these financial statements.

LDS Family Services (UK) Limited

Balance Sheet as at 31st December 2005

	<u>Notes</u>	£	<u>2005</u> £	£	<u>2004</u> £
FIXED ASSETS					
Tangible assets	5		30,573		25,143
CURRENT ASSETS					
Debtors	6	12,307		2,252	
Cash at Bank and in hand		24,550		34,088	
		<u>36,857</u>		<u>36,340</u>	
CREDITORS					
Amounts falling due within one year	7	<u>(67,330)</u>		<u>(61,383)</u>	
NET CURRENT LIABILITIES			<u>(30,473)</u>		<u>(25,043)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>100</u>		<u>100</u>
CAPITAL AND RESERVES					
Called up share capital	8		100		100
SHAREHOLDERS' FUNDS - UNRESTRICTED	9		<u>100</u>		<u>100</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The directors have taken advantage of the Companies Act 1985 by not having these accounts audited under Section 249A(2) (partial exemption).

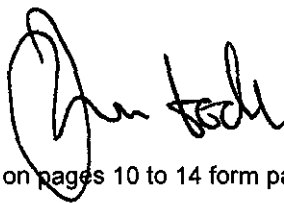
The directors have acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of the profit or loss for the year then ended in accordance with the requirements of Section 226 of the companies Act 1985 and which otherwise comply with the requirements of this Act relating to Accounts, so far as applicable to this company.

The directors have acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.

The directors have confirmed that no notice has been deposited under section 249B(2) of the Companies Act 1985

Approved by the board on 27 October 2006

J Dodd



Director

The notes on pages 10 to 14 form part of these financial statements.

LDS Family Services (UK) Limited

Financial statements for the year ended 31st December 2005

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations October 2000, the Statement of Recommended Practice "Accounting and Reporting by Charities" and under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

ACCOUNTING CONCEPT

The company's basis of accounting is that income is recorded on the accruals basis. Expenditure is recorded on a cash basis but modified for certain items of accrued expenditure. The effect of not preparing financial statements fully on the accruals basis is not considered by the directors to be material.

FRS 18

The directors have reviewed the accounting policies and confirmed that they are the most applicable.

DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Motor vehicles	over 4 years
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Assets with a cost below £5,000 are not capitalised.

TURNOVER

Turnover represents the amount billed for services provided. The directors consider that an analysis of the turnover by class of business and geographical area is not appropriate and any other breakdown would be prejudicial.

CASH FLOW STATEMENT

No cash flow statement has been prepared as the company meets the small company exemption limit as defined by s247 of the Companies Act 1985.

ACCOUNTING POLICIES

PENSION CONTRIBUTIONS

The costs of providing pensions is calculated using actuarial valuation methods which reflect the long-term costs of providing such pensions.

For defined benefit schemes the regular cost of providing for pensions is calculated so as to produce a substantially level percentage of the current and estimated future pensionable payroll; variations from the regular cost so calculated are allocated to the income and expenditure account over the average remaining service lives of employees.

The company has adopted the transitional arrangements of FRS17 "Retirement Benefits" for the year ended 31 December 2005. The disclosures required by this standard are shown in note 14. As permitted by its transitional arrangements, figures arising under the standard have not been reflected in the financial statements.

LDS Family Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2005

1 TURNOVER

The company's turnover and result before taxation were all derived from charitable work performed in connection with its principal activity.

The company's turnover was wholly earned within the United Kingdom.

	2005 £	2004 £
2 RESULT FOR THE YEAR		
This is stated after charging:-		
Depreciation on owned assets	14,827	14,482
Auditors' remuneration	-	-
Profit / (Loss) on disposal of tangible fixed assets	4,621	(2,478)
	<u>19,448</u>	<u>12,004</u>

3 EMPLOYEES

2005 No.	2004 No.
-------------	-------------

The average weekly number of persons (including directors) employed by the company during the year was:

Directors	3	3
Counsellors	5	4
Office staff	1	2
	<u>9</u>	<u>9</u>

2005 £	2004 £
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Staff costs for the above persons:

Wages and salaries	118,259	122,412
Social security costs	11,581	12,003
Other pension costs	12,112	14,898
	<u>141,952</u>	<u>149,313</u>

No employee earned in excess of £50,000 during the year.

DIRECTORS REMUNERATION

None of the directors who served during the year ended 31 December 2005 received remuneration from this company, nor was any charge made to the company for their services by any other group company. Additionally no director received reimbursement for expenses incurred during the year.

LDS Family Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2005

4 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total Costs £
Charitable expenditure	141,952	43,692	14,827	200,472

5 TANGIBLE FIXED ASSETS

	Motor Vehicles £
Cost	
1 January 2005	57,926
Disposals	(29,875)
Additions	31,374
31 December 2005	59,425
Accumulated Depreciation	
1 January 2005	32,783
Depreciation on vehicles sold	(18,758)
Charge for the year	14,827
31 December 2005	28,852
Net Book Value	
31 December 2005	30,573
31 December 2004	25,143

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

6	DEBTORS	2005 £	2004 £
	Due within one year		
	Sundry debtors	12,307	2,252
		<u>12,307</u>	<u>2,252</u>
7	CREDITORS	2005 £	2004 £
	Bank Overdraft	-	-
	Balances due to group undertakings	67,330	61,383
	Accruals	-	-
		<u>67,330</u>	<u>61,383</u>
8	SHARE CAPITAL	2005 £	2004 £
	Authorised 100 ordinary shares of £1 each	100	100
	Allotted, issued and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
9	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS - UNRESTRICTED	2005 £	2004 £
	Result for the financial year	-	-
	Opening shareholders' funds	100	100
	Closing shareholders' funds	<u>100</u>	<u>100</u>

Shareholders' funds are entirely attributable to equity interests.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

10 ULTIMATE HOLDING COMPANY

The company is owned by LDS Family Services (Utah), a company incorporated in USA.

The ultimate holding companies and controlling parties are The Corporation of The President of The Church of Jesus Christ of Latter-day Saints and The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, corporations incorporated in the state of Utah in the United States of America.

Assurances of continued financial support have been received from The Corporation of The President of The Church of Jesus Christ of Latter-day Saints.

11 RELATED PARTY TRANSACTIONS

During the year the company received a subsidy of £151,937 from The Corporation of the President of the Church of Jesus Christ of Latter-day Saints. The balance due to The Corporation of The President of the Church of Jesus Christ of Latter-day Saints at the year end is disclosed in note 7 (balance due to group undertakings).

The company is provided with offices rent free by The Church of Jesus Christ of Latter-day Saints (Great Britain) a fellow subsidiary jointly owned by The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

12 FUTURE FINANCE

The Corporation of the President of the Church of Jesus Christ of Latter-day Saints has confirmed that it will continue to provide the funds to support the company's future activities.

13 TAXATION

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

14 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS

The Company operates a defined benefits Plan, the Deseret UK benefit Plans ("the Plan") which is approved by the Inland Revenue under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. The Plan is contracted out of the State Second Pension.

The rate of contributions payable by the Company is determined by an independent qualified actuary on the basis of triennial funding valuations. Contributions paid by the Company to the Plan during the year ended 31 December 2005 amounted to £12.648 million. This amount excludes £139,773 that the Church paid in respect of Group Life premiums for the year.

The assets of the Plan are held separately from the assets of the Company. The most recent triennial valuation, as at 31 December 2003, showed that the value of the Plan's assets was 65% of the value of the benefit accrued to members after allowing for future increases to earnings. The market value of the Plan's assets was £14,575,000, excluding money purchase AVCs. The following assumptions were adopted for the above valuation:

Investment return (before retirement)	6.50% pa
Investment return (after retirement)	5.00% pa
Average Salary Increases	4.30% pa
Retail price inflation	2.80% pa
Pension increases (post 04/1997 to 04/2005)	2.80% pa

In order to produce the 2005 disclosures required under FRS17 a full valuation, as at 31 December 2005, has been undertaken by an independent qualified actuary using the assumptions shown below for 2005. For the other years the previous full valuation, as at 31 December 2003, has been updated, by an independent actuary, using relevant assumptions as shown below:

	31 December 2005	31 December 2004	31 December 2003
Price inflation	2.80% pa	2.90% pa	2.80% pa
Discount rate	4.75% pa	5.30% pa	5.40% pa
Increase in payment	2.75% pa	2.90% pa	2.80% pa
Pensionable salary increases	4.30% pa	4.40% pa	4.30% pa

On this basis, the balance sheet figures required under FRS17 are as follows:

	31 December 2005		31 December 2004		31 December 2003	
	Expected long-term return	Value £000	Expected long-term return	Value £000	Expected long-term return	Value £000
Equities	7.10% pa	16,450	7.00% pa	13,700	2.80% pa	12,270
Bonds	4.10% pa	1,810	4.80% pa	2,280	2.80% pa	1,440
Cash	4.25% pa	12,680	4.80% pa	-	2.80% pa	-
Property	6.60% pa	1,030	5.30% pa	370	2.80% pa	390
Total market value of assets		31,970		16,350		14,100
Present value of Plan liabilities		30,170		27,010		21,480
Plan surplus/(deficit)		1,800		(10,660)		(7,380)

LDS FAMILY SERVICES (UK) LTD
Trustees Annual Report
For year ending 31.12.2005

Introduction

In 2005 under the direction of Arthur E Finch the Agency Director the England Agency of LDS Family Services continued to supply clinical services predominantly to members of the Church of Jesus Christ of Latter-day Saints.

Practitioners

The qualified practitioners working for the Agency during 2005 in addition to Arthur Finch were David Peacock, who retired in June 2005 and Sian Davies. The Agency was also joined in May 2005 by Michelle Sherman who was employed as assistant to Arthur Finch. The Agency was also assisted in 2005 by Liane Pearce and Josephine Rankin, both of whom are qualified practitioners, on temporary contracts,

Geography

The geographical area that is served by the Agency is the United Kingdom and Eire

Support Network

The Agency continued building a national network of qualified counsellors who although not recommended by the Agency, their names and details were supplied to local Church leaders and to Church members as counsellors who were available to assist if required in the various geographical locations where they lived

Administration

The administrative work of the Agency was under the control of Lynne Heath who continued to be employed as full time secretary to the Agency. She was assisted by Pat Finch wife of the Agency Director.

The focus of the Agency continued to be supplying clinical services, principally counselling on a variety of personal issues to members of the church and on occasion non members.

Post Adoption work

The Agency in addition carried out some post adoption work including holding Adoption Support Days concluding one of its previous roles as an Adoption Agency

The Agency under the direction of Art Finch continued to explore whether LDS Family Services could assist in adoption matters by registering as an Adoption Support Agency. During 2005 no decision was made on this aspect of social services work.

Training

Throughout 2005 the Agency carried out an ongoing training programme for all of its professional staff including seminars, individual training programmes and videos, to keep them up to date with latest practice both in Europe and in the United States.

Conclusion

The year was a busy but productive one for the Agency



John Dodd
Director and Secretary
LDS Family Services (UK) Ltd
27 October 2006